

Post-Implementation Report

PROJECT IDENTIFICATION

Project Name: Medicaid Systems Project – Planning Phase

Date: April 24, 2006

Project Sponsor: Maggie Anderson

Project Manager: Mike Fischer
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CATEGORIES: Categories of the report correspond to the categories in the Post-Project Survey.

For each category, the Overall Rating is the average of the ratings provided on completed survey forms for that category (1=Not at All, or Poor, 2=Adequately, or Satisfactory, 3=To a great extent, or Excellent).

NOTE: As this "project" is in actuality only the Planning Phase of the Medicaid Systems Project, no "Post-Project Survey" survey was taken. This report is being issued to document the activities and results of the Planning Phase only, as funding for this Project changed at the end of the 2003-2005 biennium. The funding grant of \$1,600,000 terminated on June 30, 2005, and the State Legislature and the Centers for Medicare and Medicaid Systems (CMS) approved new funding authority for the 2005-2007 and 2007-2009 biennia. A formal "Post Implementation Report" will be issued at the conclusion of the design, development and implementation (DDI) phase of the Project, currently planned for in 2008.

A. PRODUCT EFFECTIVENESS

This phase of the Project saw the development of these primary products:

- Project Plan Narrative, defining the Project's organization, scope, management processes (status reporting, meetings, etc.), incident management process, and formats for the Project deliverables.
- Request for Proposal (RFP) for the design, development and implementation (DDI) effort;
- RFP for the independent verification and validation (IV&V) effort;
- Implementation Advance Planning Document (IAPD) for CMS approval; and
- A cost benefit analysis (CBA) document.

Fox Systems, with participation and assistance by DHS personnel, developed the DDI RFP, the IAPD and the CBA. The DHS Project Manager developed the IV&V RFP.

DHS originally scheduled the DDI RFP to be released on January 1, 2005. However, due to the need for Legislative approval for the funding of the project, DHS delayed the release of the RFP until after the 2005 Legislative Session. The RFP was released on June 1, 2005.

Although the proposals were received after the conclusion of the Planning Phase of the Project, I am including the results and subsequent information here to help indicate the effectiveness of the RFP. DHS received proposals as follows:

- MMIS: 1
- POS: 3
- DSS/DW: 2

The DDI RFP has withstood the test of repeated scrutiny, especially during subsequent post-planning phase activities, e.g. during contract negotiations with the proposed MMIS vendor. The question and answer process highlighted some minor discrepancies and ambiguities, with the following volumes of questions needing to be addressed:

- MMIS: 40

Post-Implementation Report

- Pharmacy POS: 58
- DSS/DW: 40

Four amendments were issued to date. The first amendment covered the inconsistencies and clarifications arising in the Q&A process; many of the other amendments dealt with revisions to the Project schedule rather than substantive changes to the RFP.

The number and size of the proposals caused delays in having the proposals reviewed by the evaluation team, who had to perform their normal business operations and evaluate the proposal as well. The MMIS Proposal, for example, was duplex printed and still required a 6" 3-ring binder to house it. In addition, some staff were required to review proposals for two of the business functions (MMIS, POS, DSS/DW).

The CBA has proved problematic, however, in that assumptions used in developing the CBA did not take into account key factors that were developing in the Medicaid systems marketplace, namely:

- Solutions as defined the RFP, e.g. transfer of a MITA compliant system, did not exist in the market at the time the RFP was issued;
- MITA itself was in the process of transforming from a high-level concept to a more detailed and substantive model; for example, a MITA conference in April 2005 provided new details of the architecture, less than two months before the release of the DDI RFP.
- Due to Federal funding of Medicaid replacement projects with a 90% Federal participation, large numbers of states were requesting new systems, applying significant pressure to the five main vendors for MMIS systems.

As a result, the CBA under-estimated the potential cost of implementing the solution described in the RFP, as determined by the subsequent proposals that were received, all of which exceeded the CBA estimates and budgeted amounts for the MMIS, POS and DSS/DW systems.

The IV&V RFP was released and generated a total of 86 questions, some of which were redundant among the vendors. Four amendments were issued; again, most of the changes were tied to the project schedule changes.

The IV&V RFP divided the services into four service components: verification, validation, program office, and audit, each to be proposed separately. DHS received IV&V proposals as follows:

- Verification: 1
- Validation: 1
- Program Office: 2
- Audit: 3

Overall Survey Rating: N/A

B. CSSQ MANAGEMENT

As noted above, the Project encountered a delay due to the need for Legislative authority to begin the Project at the planned cost, as well as subsequent delays. However, this section refers only to the Planning Phase of the Project.

Cost: Project came in under budget (see table at bottom of this report)

Scope: The Project delivered the planned scope, including the IV&V RFP, which had been in scope but was not actually addressed until late in the Phase.

Post-Implementation Report

Schedule: Delayed 5 months due to need for Legislative action. The delay caused no significant impact on the Project.

Quality: as indicated by the relatively few questions and amendments on the RFPs (other states who released MMIS RFPs recently had hundreds of questions on their RFPs), the quality was excellent. The only issues came about with the CBA, as noted previously.

Overall Survey Rating: N/A

C. RISK MANAGEMENT

The risk management process defined in the Project Plan Narrative was implemented, and risks fully identified, when appropriate, in the Project's status reports.

Overall Survey Rating: N/A

D. COMMUNICATIONS MANAGEMENT

During this Planning Phase, the Project's stakeholders have been identified. Due to the relatively slow progress of this Phase (one year from inception to release of the RFPs), communications have been primarily internal, *i.e.*, status reports and meetings with the Program Sponsor.

Overall Survey Rating: N/A

E. ACCEPTANCE MANAGEMENT

There was no planned or actual software acceptance effort for this Planning Phase. DHS did conduct acceptance processes for all planned deliverables.

Overall Survey Rating: N/A

F. ORGANIZATIONAL CHANGE MANAGEMENT

The formal change management process was defined in the Project Plan Narrative for this Planning Phase. The RFP being developed by Fox was not baselined until the final version was ready. Prior to that, changes to the RFP were handled informally; usually changes were introduced in real time as the consultant made the changes to the Word document.

Overall Survey Rating: N/A

G. ISSUES MANAGEMENT

The formal issue management process was defined and implemented in the Planning Phase as defined in the Project Plan Narrative.

Overall Survey Rating: N/A

Post-Implementation Report

H. PROJECT IMPLEMENTATION AND TRANSITION

This was the Planning Phase only; no implementation or transition.

Overall Survey Rating: N/A

I. PERFORMANCE OF PERFORMING ORGANIZATION

The performing organizations are the Medical Services division, and the Information Technology Services division or the Department of Human Services; and Fox Systems, the contractor hired to assist the State in preparing and publishing the Planning Phase deliverables. Additional effort and support was provided by the State's Information Technology Department as well.

Overall, performance was excellent, as the necessary work was completed on time and within budget, and as noted the results of this phase have met the business need.

Fox Systems did have some personnel performance issues; however, when discussed with Fox, these issues were resolved successfully, and the Phase concluded on time and under budget.

Overall Survey Rating: N/A

J. PERFORMANCE OF PROJECT TEAM

The Project Team performed well (see comment above).

One "lesson learned" needs to be added, however. The requirements for this project were not developed to a detail level, in part due to the fact that the personnel assigned to this project also had responsibilities for daily business operations. As a result, some time will need to be taken at the start of the DDI efforts to complete the requirements elicitation process before beginning the actual design effort.

Overall Survey Rating: N/A

K. KEY PROJECT METRICS

COST

Final Cost	Final Approved Baseline Cost Estimate	Difference from Final Cost	Original Cost Estimate	Difference from Final Cost
\$1,594,877	\$1,600,000.00	\$5,123.00	\$1,600,000.00	\$5,123.00
		+0.32%		+0.32%
Number of approved changes made to the original budget.				0
Number of "re-baselined" budget estimates performed.				0

Post-Implementation Report

SCHEDULE

Number of milestones in baseline schedule.	2
Number of baseline milestones delivered on time (according to last baselined schedule).	2
Difference in elapsed time of original schedule and final actual schedule.	5 months
Difference in elapsed time of final baseline and final actual schedule.	0

SCOPE

Number of baseline deliverables.	3
Number of deliverables delivered at project completion.	3
Number of scope changes in the post-planning phases.	N/A

QUALITY

Number of defects/quality issues identified after delivery.	N/A
Number of success measures identified in the Business Case that were satisfied or achieved at project completion.	7 (all met)

Include any other key quality metrics that was tracked for this specific project.